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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/539,084

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Frank Muller

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EXAMINER

TROTTER, SCOTT S

ART UNIT

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3694

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/539,084	Applicant(s) MULLER ET AL.	
	Examiner SCOTT S. TROTTER	Art Unit 3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 08 September 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-18 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-18 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Restriction election

1. The Office acknowledges the receipt of Applicant's restriction election, filed September 8, 2008. Applicant elects Group I, claims 1-18, without traverse and cancelling claims 19 and 20. Claims 1-18 are pending. Claims 1-18 are examined in the instant application. This restriction is made FINAL.

Claim Interpretation

2. Claims 1-18 contain "whereby clauses" because the limiting effect of the limitations that are part of such clauses such limitations are considered optional and could be left out. (see *MPEP 2106.IIC*) While art was applied to such language to further prosecution it was not required.

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless --

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

4. Claims 1 and 2 are rejected under 35 U.S.C. 102(b) as being anticipated by Lorsch (U.S. Patent 5,903,633 hereafter Lorsch).

As per claim 1 Lorsch teaches:

Method for using an electromagnetic scratchcard (1) to provide services between a terminal (6) accessible to a service customer and an infrastructure comprising a

Art Unit: 3694

network (7) and a server (8) of a service provider, whereby an activation code (3) is present in electronic or magnetic form on the electromagnetic scratchcard (1) and the activation code (3) is used to activate a card balance (13) that is associated with the electromagnetic scratchcard (1) and is accessible to the server (8). (*see Lorsch abstract and Figure 2 boxes 240, 250, 260, and 270*)

As per claim 2 Lorsch teaches:

Method according to claim 1, whereby a unique card ID (2) in electronic or magnetic form is present on the electromagnetic scratchcard (1). (*see Lorsch column 3 lines 11-17*)

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 3-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lorsch (U.S. Patent 5,903,633) in view of Molva et al. (U.S. Patent 5,347,580 hereafter Molva) and Official Notice.

As per claims 3, 4, and 12 while Lorsch does not explicitly teach having a smartcard act as the scratchcard Official Notice is taken that it is old and well known in the art of transaction cards to replace cards with magnetic strips with smart cards with one the main reasons being increased security. (Examiner's Note it appears that the

Art Unit: 3694

application's background section would support this detail.) While Lorsch did not teach having to authenticate oneself to a smartcard to activate it but this is a common feature in the use of smartcards as taught by Molva. (see *Molva column 2 lines 20-38*. This taught receiving a proper code authenticating who was trying to use it to activate the smartcard. This inherently requires the smartcard being able to confirm that it received the proper code.) Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made for a card to require receiving a proper challenge to activate it for use.

As per claim 5 Lorsch teaches:

Method according to claim 4, whereby the card ID (2) and the result (11) are received by the server (8) via the network (7), and the server (8) verifies whether the result (11) corresponds with the activation code (3) associated with the card ID (2) in a database (10), such activation code check (14) being equal to the activation code (3) on the electromagnetic scratchcard (1). (see *Lorsch abstract and Figure 2 boxes 240, 250, 260, and 270*)

As per claim 6 Lorsch teaches:

Method according to claim 5, whereby the card ID (2) and the associated activation challenge (9), activation code check (14) and a reducible card balance (13) (see *Lorsch figure 2 box 210*) are located in the database (10) accessible by the server (8). (see *Lorsch abstract and Figure 2 boxes 260, and 270*. Determining if the transfer is legitimate using the data from the card, data previously resident in the centralized

Art Unit: 3694

computer (is data in a database), and location data derived from the point of sale terminal.)

As per claim 7 Lorsch teaches:

Method according to claim 4, whereby the result (11) is given the same value as the activation code (3) if the correct activation challenge (9) has been offered to the electromagnetic scratchcard (1), or otherwise is given an error code E1. (see *Lorsch abstract and Figure 2 boxes 270, and 280*. Lorsch teaches sending a notification of a successful authorization and a failed authorization which the function that the claim is interpreted to claim.)

As per claim 8 Lorsch teaches:

Method according to claim 7, whereby the terminal (6) can read out and verify the result (11), and whereby the terminal (6) gives a report if the result (11) corresponds with the error code E1. (see *Lorsch column 7 lines 54-column 8 line 24*.)

While Lorsch is not explicit about what happens when a transaction is denied it is old and well known in the art of sales to report that a transaction failed with an obvious example being when a credit card authorization fails.

As per claim 9 Lorsch teaches:

Method according to claim 3, whereby a challenge (5) present in electronic or magnetic form on the electromagnetic scratchcard (1) shows the status of the electromagnetic scratchcard (1) and can be given the value of the activation challenge (9) offered to the electromagnetic scratchcard (1). (see *Lorsch column 8 lines 34-52* Can communicate between the terminal and server to increase the number of minutes

Art Unit: 3694

the same communication paths could be used to find the number of minutes left on the card.)

As per claim 10 Lorsch teaches:

Method according to claim 9, whereby the terminal (6) reads out the challenge (5) in order to determine the status of the electromagnetic scratchcard (1). (see *Lorsch column 8 lines 34-52* Can communicate between the terminal and server to increase the number of minutes the same communication paths could be used to find the number of minutes left on the card.)

As per claim 11 Lorsch teaches:

Method according to claim 9, whereby the challenge (5) is set to a value C2 if the card balance (13) for the card ID (2) has been used up. (see *Lorsch column 8 lines 34-52* Can communicate between the terminal and server to increase the number of minutes the same communication paths could be used to find the number of minutes left on the card.)

As per claim 13 Lorsch teaches:

Method according to claim 3, whereby the activation challenge (9) originates from the server (8).

While Lorsch does not explicitly teach having the server send the challenge to activate the card for access it is old and well known in the art of authentication for the one that wants to be authenticated to send the request that authenticates them to the other party. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have the server send the challenge to the card

Art Unit: 3694

since it wanted to be authenticated to the card as legitimately being entitled to access the information stored in the card.

As per claims 14 and 15 Lorsch taught:

An electromagnetic scratchcard (1) arranged to provide services to a service customer by means of a terminal (6) via a service provider's infrastructure comprising a network (7) and a server (8), (*see Lorsch abstract and Figure 2 boxes 240, 250, 260, and 270*) whereby the electromagnetic scratchcard is provided with a processor (12), a memory (15) connected to the processor and an input/output unit (17) connected to the processor and used for communication with the terminal, whereby an activation code (3) is stored in the memory (15), and the processor (16) is arranged to activate a card balance (13) that is associated with the electromagnetic scratchcard (1) and that is accessible to the server (8), by means of communication with the server and use of the activation code (3). (*see Lorsch abstract and Figure 2 boxes 240, 250, 260, and 270*)

While Lorsch does not explicitly teach having a smartcard act as the scratchcard Official Notice is taken that it is old and well known in the art of transaction cards to replace cards with magnetic strips with smart cards with one the main reasons being increased security. (Examiner's Note it appears that the application's background section would support this detail.) While Lorsch did not teach having to authenticate oneself to a smartcard to activate it this is a common feature in the use of smartcards as taught by Molva. (*see Molva column 2 lines 20-38*. This taught receiving a proper code authenticating who was trying to use it to activate the smartcard. This inherently requires the smartcard being able to confirm that it received the proper code.) Molva

Art Unit: 3694

also teaches that smartcards contain a processor and memory. (*see Molva column 2 lines 20-21*. Processing capability requires a processor and containing data i.e. a cryptographic key requires some kind of memory.) Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to try requiring a smartcard receiving a proper challenge before it released the data to activate it for use.

As per claim 16 Lorsch taught:

An electromagnetic scratchcard (1) according to claim 15, whereby the processor is arranged to store a result (11) in the memory, such result showing whether the activation challenge (9) offered to the electromagnetic scratchcard (1) is equal to the initial challenge (4) present on the electromagnetic scratchcard (1).

While Lorsch does not explicitly teach the smartcard being authenticated to be activated Molva teaches it as a typical smartcard feature. (*see column 2 lines 20-37*) Molva talks about the card being activated or not since the card has to know what state it is in to know how to respond it must store such data in some form. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to store the result of whether the card was activated or not.

As per claim 17 Molva teaches the smartcard containing a secret “the challenge” that allows it to be activated when it receives evidence in one of the forms that it expects proving that someone else shares that secret. (*see Molva column 2 lines 28-29*) Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made for the secret to be stored in the smartcard.

As per claim 18 Lorsch taught:

A terminal (6) that is connected to an infrastructure comprising a network (7) and a server (8) of a service provider, whereby the terminal is equipped with a terminal processor (18) and terminal input/output devices (20) to be able to communicate with an electromagnetic scratchcard according to one of the foregoing claims, such terminal processor (18) being arranged to send the electronic data received from the electromagnetic scratchcard (1) over the network (7) to the server (8), and to send the electronic or magnetic data received from the server (8) to the electromagnetic scratchcard (1) and to read out a challenge (5) present on the electromagnetic scratchcard (1) to determine the status of the electromagnetic scratchcard (1). (see *Lorsch abstract and Figure 2 boxes 240, 250, 260, and 270*)

While Lorsch teaches the general details of the terminal including it having a network connection to the server it does not teach connecting to a smartcard. Molva teaches terminals with various connections to the smartcard with one such example being a galvanic connection which allows for the rapid transfer of information between the terminal and the smartcard without the need of human intervention. (See *Molva column 2 lines 45-49*) Molva also teaches smartcards receiving a challenge to be activated. (see *Molva column 2 lines 28-30*) Therefore it would have been obvious to a person of ordinary skill in the art at the time invention was made to combine known components in known ways to achieve the invention.

Conclusion

7. The prior art made of record and not relied upon is considered pertinent to Applicant's disclosure:

- Applied Cryptography by Bruce Schneier copyright 1996 pages 52-54 gives background on authentication that is helpful.
- U.S. Patent 6,829,596

8. Examiner's Note: The Examiner has cited particular columns and line numbers in the references as applied to the claims for the convenience of the applicant.

Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

9. Any inquiry concerning this communication from the examiner should be directed to Scott S. Trotter, whose telephone number is 571-272-7366. The examiner can normally be reached on 8:30 AM – 5:00 PM, M-F.

10. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell, can be reached on 571-272-6712.

11. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system, see <http://pair-direct.uspto.gov>.

Art Unit: 3694

Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

12. The fax phone number for the organization where this application or proceeding is assigned are as follows:

(571) 273-8300 (Official Communications; including After Final
Communications labeled "BOX AF")

(571) 273-6705 (Draft Communications)

sst
12/13/2008

/James P Trammell/
Supervisory Patent Examiner, Art Unit 3694